Presence of diamond mines in Andhra Pradesh

843. DR. DASARI NARAYANA RAO: Will the Minister of MINES be pleased to state:

(a) whether presence of diamond mines has been found in Krishna, Guntur, Cuddapah and Prakasam districts in Andhra Pradesh by Geological Survey of India;

(b) if so, the details thereof; and

(c) by when, mining operations are likely to be started in these mines?

THE MINISTER OF STATE OF THE MINISTRY OF MINES (SHRI RAMESH BAIS): (a) No. Sir. Geological Survey of India (GSI) a subordinate office under this Ministry has not located any diamond mines in Krishna, Guntur, Cuddapah and Prakasam Districts in Andhra Pradesh.

(b) and (c) Question does not arise.

Foreign capital investment in mining sector

†844. SHRI JANESHWAR MISHRA: Will the Minister of MINES be pleased to state:

(a) whether it is a fact that foreign capital investment has been approved in the mining sector;

(b) if so, the details thereof; and

(c) whether high class technology has been introduced in the mining sector after getting approval for the capital investment, and if so, in what manner?

THE MINISTER OF STATE OF THE MINISTRY OF MINES (SHRI RAMESH BAIS): (a) to (c) The Government has liberalized its Foreign Direct Investment (FDI) policy in the mining sector which allows foreign equity holding upto 100%, on the automatic route for all minerals (except diamonds and precious stones). This covers exploration, mining, mineral processing and metallurgy. In the case of diamonds and precious stones,

†Original notice of the question was received in Hindi.

foreign equity upto 74% is allowed on the automatic route for both exploration and mining operations. However, proposals seeking higher than 74% foreign equity for diamonds and precious stones are considered by the Foreign Investment Promotion Board (FIPB). The Mines and Minerals (Development and Regulation) Act, 1957 has also been suitably amended to make it more investor friendly.

The FIPB, in consultation with the Ministry of Mines, has so far approved 72 proposals of FDI in the mining sector. The Indian subsidiary companies of global mining companies have taken permits for reconnaissance operations involving state-of-the-art technology for aerial, geophysical and geochemical surveys for exploring minerals.

Rise in Gold Prices

845. SHRI K. RAMA MOHANA RAO: Will the Minister of MINES be pleased to state:

(a) whether it is a fact that gold prices are shooting up in the recent past;

(b) if so, the reasons for such a sudden spurt in the price of gold and other precious metals such as platinum, etc.; and

(c) the total quantity of gold imported by India during the last five years, year-wise?

THE MINISTER OF STATE OF THE MINISTRY OF MINES (SHRI RAMESH BAIS): (a) and (b) Yes, Sir. Gem and Jewellery Export Promotion Council, an organization sponsored by Ministry of Commerce and Industry, Department of Commerce has reported that there has been a rise of 14.25% in annual average price of gold between 2001 and 2002 in the international market. The main reasons of this rise, as reported by Minerals and Metals Trading Corporation (MMTC) Limited, a Government of India Enterprise under the administrative control of Department of Commerce, are threats of war between United States of America and Iraq, investments by fund managers due to weakening of dollar and steep increase in demand of gold in Japan.